

ANNOUNCEMENT OF FEDERAL FUNDING OPPORTUNITY

EXECUTIVE SUMMARY

Federal Agency Name(s): International Trade Administration (ITA),
Department of Commerce (the Department)

Funding Opportunity Title: Market Development Cooperator Program
(MDCP)

Announcement Type: Announcement

Funding Opportunity Number:

Catalog of Federal Domestic Assistance (CFDA) Number: 11.112,
Market Development Cooperator Program

Dates:

Public Meeting: The Department will hold a public meeting to discuss MDCP proposal preparation, procedures, and selection process on June 6, 2007. The two-hour meeting will begin at 10:00 a.m. in Room 1412, at the Herbert Clark Hoover Building, 14th and Constitution Avenue, N.W., Washington, D.C. The Department will not discuss specific proposals at this meeting. Attendance is not required.

Applications: The Department must receive completed applications by 5:00 p.m. Eastern Daylight Time, July 13, 2007. Late applications will not be accepted. Applicants whose applications have been accepted will be notified via e-mail or fax within ten days of the submission deadline.

Funding Opportunity Description: ITA requests that eligible organizations submit proposals (applications) for the fiscal year (FY) 2007 competition for MDCP awards. ITA creates economic opportunity for U.S. workers and firms by promoting international trade and investment, strengthening industry competitiveness, and ensuring fair trade.

FULL ANNOUNCEMENT TEXT

I. Funding Opportunity Description

Through MDCP cooperative agreements the Department provides technical¹ and financial assistance² that these organizations match. Organizations compete for a limited number of MDCP awards.

Trade associations, state departments of trade, and non-profit industry organizations, including organizations such as centers for international trade development and small business development centers are eligible to apply for an MDCP award. These organizations are particularly effective in reaching small- and medium-size enterprises (SMEs). (The program's eligibility requirements effectively preclude applications from individuals and private companies. See III. Eligibility Information below.)

MDCP awards help to underwrite the start-up costs of new ventures that organizations are often reluctant to undertake without federal government support. MDCP strengthens the competitiveness of U.S. industry by fostering projects that result in increased exports and/or market share for non-agricultural goods and services produced in the United States

As an active partner, ITA will, as appropriate, guide and assist organizations in achieving project objectives. ITA encourages organizations to propose projects that (1) best strengthen their industry through market development; and (2) leverage the partnership between the organization and ITA.

A. Definitions

Several definitions are provided in VIII. Other Information is provided below to assist readers in preparing MDCP applications.

B. Examples of Project Activity

Applicants should propose market development activities tailored

¹ Technical assistance is described in II.A.1. Project Team.

² Financial assistance is described in II.B. Funding Availability.

to strengthen the competitiveness of the relevant U.S. industry. Examples from prior years are set forth below.³ These are provided only for illustration. Applicants are not required to propose any of these activities:

1. Promotion of standards that ensure market access for U.S. products;
2. Helping business leaders to leverage free trade agreements to the advantage of U.S. industry;
3. Demonstration of U.S. products abroad;
4. Development of a shared Internet-based distribution system in a target market ;
5. Establishment of technical servicing of U.S. products abroad;
6. Joint promotion of U.S. products with foreign partners;
7. Establishment of an office in a target market⁴;
8. Education of foreign users of U.S. technology on intellectual property rights;
9. Training foreign staff for after-sale service of U.S. products in target markets;
10. Publication of product brochures and company directories; and
11. Development of quality standards and designations along with target-market promotion of same.

³Visit www.trade.gov/mdcp for a description of each of the MDCP projects funded to date.

⁴Such an office should not duplicate the programs or services of the Department's Commercial Service office(s) in the region, but could include co-location with a Commercial Center of the Commercial Service.

C. Program Authority

MDCP is provided for in 15 U.S.C. §4723. The program strengthens U.S. industry's competitiveness by developing, maintaining, and expanding foreign markets for non-agricultural goods and services produced in the United States. Non-agricultural goods and service means goods and services other than agricultural products as defined in 7 U.S.C. 451.⁵

II. Award Information

As noted in II.A.4. below, MDCP awards are cooperative agreements. Therefore, ITA expects to have substantial involvement with cooperators. This involvement is discussed below in Administration of Award Activity. Other aspects of the award are discussed below.

A. Administration of Award Activity

As noted below in VIII.4. Cooperative Agreement, the Department will have substantial involvement with the cooperator. This involvement results primarily from the activities of the project team.

1. Project Team

To administer each cooperative agreement, a project team is established including key personnel from the cooperator and ITA officials who can help the cooperator achieve MDCP project objectives.⁶ Each project team acts as the project's "board of directors" establishing direction, recommending changes when necessary, and working on project activities.

⁵This definition includes "agricultural, horticultural, viticultural, and dairy products, livestock and the products thereof, the products of poultry and bee raising, the edible products of forestry, and any and all products raised or produced on farms and processed manufactured products thereof..."

⁶If needed, representatives from other federal agencies may be invited to participate on the project team.

2. Fiscal Year Operating Plan

Each year during the award period, the project team formulates an operating plan based on the work plan submitted in the application. The plan identifies project events, projected dates, team responsibilities, and a rough cost estimate for each event and ongoing activity scheduled during the fiscal year (October through September).⁷ Applicants do not submit fiscal year operating plans in their applications. These are developed only after receipt of an award and designation of the project team.⁸

3. Regular Team Meetings

Project teams normally meet in-person every three or four months. In between these meetings, project teams usually coordinate via telephone or video conference. Cooperators based in the Washington, DC area sometimes meet in-person more often.⁹

⁷Some of the planning by ITA team members is affected by the federal fiscal year. Cooperators should anticipate finalizing their fiscal year operating plans well before October 1.

⁸The fiscal year operating plan is a blueprint for team activity worked out between the cooperator and the project team leader. For example, one activity listed could be a seminar in the target market on respecting intellectual property rights. In addition to dates and responsibility, the cooperator would list a rough estimate of costs based on the project budget submitted in the application, as amended. (The fiscal year operating plan does not include detailed breakdowns of cost.) In a separate column, ITA's project team leader estimates the amount of ITA administrative funds needed to pay for ITA travel and certain other expenses incurred supporting the mission. (Funding of ITA team members' participation is subject to availability of funds.)

⁹Project team leaders usually request and receive sufficient ITA administrative funds to pay for travel to the cooperator's location for team meetings. Most cooperators make provision in their project budgets to travel to Washington, DC for some of the team meetings in order to familiarize themselves with all of the federal and non-governmental resources available to them.

4. Team Participation in Project Activities

Project team members, including the project team leader and other federal government team members, participate as appropriate in project activities. For example, in the past, ITA members of the project team have attended meetings where international standards are developed, recruited for technical seminars, and delivered presentations at seminars. As noted above in II.A.2. fiscal year operating plan, federal government members of the project team usually draw on separate government-administered funds to pay their costs associated with their participation.

5. Fees for Some Government Services

The Commercial Service participates on each MDCP project team. Applicants should understand that the Commercial Service is required to charge fees to cover costs for many of the services it provides. The policy set forth below applies to Commercial Service resources that are provided as part of MDCP cooperative agreements.

The Commercial Service will provide, as part of the cooperative agreements, a limited amount of reasonable assistance to MDCP cooperators at no charge. Such assistance does not extend to an MDCP cooperator's constituent member companies or to any other for-profit enterprises. They will pay the Commercial Service normal user-fees as applicable. The policy set forth below applies to Commercial Service resources that are provided as part of the cooperative agreements.

For assistance that goes beyond the "limited amount of reasonable assistance" as defined below, applicants should make provision in their budgets. To determine the cost for services provided by the Commercial Service, applicants should contact the U.S. Export Assistance Centers (USEACs) or overseas Commercial Service offices. These may be identified at www.trade.gov/cs.

There may be situations that prevent the Commercial Service from providing no-charge services to cooperators. Perhaps the most common example is another event to which the Commercial Service office has already committed its resources.

The definitions below will guide the domestic or overseas Commercial Service offices in implementing this policy.

a. Overseas Commercial Service Offices

(1) Limited Amount: Cost-free assistance will not exceed two days' Commercial Service effort per cooperator, per country, per year. Direct costs and specially-prepared market research are not included in the cost-free assistance.

(2) No Charge: No fees are collected. The term applies only to indirect costs such as time expended by Commercial Service employees. Cooperators should always expect to pay direct costs, such as hiring an interpreter or transportation.

(3) Reasonable Assistance: This includes appointment making, temporary use of Commercial Service office space, when available, making hotel arrangements, briefing on market conditions, helping organize seminars/conferences, and other similar services worked out between the project team leader and the Commercial Service office.

b. U.S. Export Assistance Centers (USEACs)

USEACs can generally implement the policy as a no-charge extension of normal client support. Most USEAC service to cooperators is provided as part of long-term relationships developed in local exporting communities throughout the United States.

B. Funding Availability

The total number of awards made will depend on the amounts requested by top-scoring applicants and the availability of funds. Assuming that some top-scoring applicants will request less than the maximum allowable amount, the Department anticipates concluding a minimum of three (3) cooperative agreements. In past competitions, MDCP awards have ranged from \$40,000 to \$400,000. For the 2007 competition, no award will exceed \$175,000, regardless of the duration of the award period.

C. Anticipated Start Dates

Each applicant should plan its MDCP project so that its proposed award period begins no sooner than October 1, 2007, and no later than April 1, 2008.

D. Existing Projects

The Department is soliciting only new applications for new projects. The Department does not renew or supplement existing MDCP awards. See V.A.4.b. Creativity and Capacity below.

E. Approved Pre-Award-Period Expenditure

As a general matter, cooperators can request reimbursements only for project costs incurred during the award period. However, cooperators may expend project funds to attend a cooperator orientation meeting,¹⁰ even if it precedes the beginning of the award period.¹¹

III. Eligibility Information

An applicant that fails to meet the eligibility criteria cannot receive an MDCP award even if its application is reviewed. For information on the disposition of ineligible applications, consult V.D.3. Late and Ineligible Applications Returned to Sender.

A. Eligible Applicants

Trade associations, state departments of trade and their regional

¹⁰MDCP orientation is usually held in late October after MDCP awards are announced. Applicants should include travel to the orientation in their application budget. The signed financial assistance award that a successful applicant receives from the Department serves as official approval to expend project funds for this purpose, even if the orientation precedes the beginning of the award period.

¹¹This expenditure is limited to allowable expenses (e.g., air fare, ground transportation, and lodging) associated with attending the orientation.

associations, and non-profit industry organizations, including organizations such as World Trade Centers, centers for international trade development and small business development centers are eligible to apply for an MDCP award. In cases where no entity described above represents the industry, private industry firms or groups of firms may be eligible to apply for an MDCP award. Such private industry firms or groups of firms must provide in their application, documentation demonstrating that no entity in the first three categories listed below represents their industry.

1. Trade Association

A fee-based organization consisting of member firms in the same industry, or in related industries, or which share common commercial concerns. The purpose of the trade association is to further the commercial interests of its members through the exchange of information, legislative activities, and the like.

2. Non-Profit Industry Organization

a. A non-profit small business development center operating under agreement with the Small Business Administration; or

b. A non-profit World Trade Center chartered or recognized by the non-profit World Trade Centers Association; or

c. An organization granted status as a non-profit organization under Title 26 U.S.C. Section 501(c)(3), (4), (5), or (6), which operates as one of the following:

- (1) Chamber of commerce,
- (2) Board of trade,
- (3) Business, export or trade council/interest group,
- (4) Visitors bureau or tourism promotion group,
- (5) Economic development group,
- (6) Small business development center, or
- (7) Port authority.

3. State Departments of Trade and Their Regional Associations

- a. Department of a state government tasked with promoting trade, tourism, or other types of economic development; or
- b. Associations of the departments of trade (as defined above) of two or more states; or
- c. Entities within a state or within a region that are associated with a state department of trade, tourism, or other types of economic development including non-profit, non-private, non-commercial entities which are at least partially funded by, directed by, or tasked by a state government to promote trade, tourism, or other types of economic development.

4. Special Note Regarding Educational Institutions

Educational institutions, such as schools, colleges, and universities, are generally not eligible. However, organizations that are part of an educational institution for administrative, financial, legal, or logistical reasons may be eligible. Such organizations that are not independent legal entities -- for example, an unincorporated organization -- that otherwise may be classified above under 1. Trade Association, 2. Non-Profit Industry Association, or 3. State Departments of Trade and Their Regional Associations, above are eligible.

In such a case, the eligible entity will include in its application a signed letter stating that MDCP funds will be used only by the eligible entity for the purposes outlined in its application, and that no such funds will be used by or retained by the educational institution, even though the funds may need to go through the educational institution because of the eligible entity's lack of a separate accounting system or lack of status as a separate legal entity.

B. Cost Sharing or Matching

1. Match Requirement

A cooperator must contribute at least two dollars for each federal dollar received. The first dollar's-worth of contribution must be

cash, the second, as explained below, can be either cash or it can be in-kind contribution worth one dollar.

a. Cash Contribution

Cash contribution is a new outlay of cooperator funds for project activity. The term describes only the amount of a cooperator's own funds that it spends as match.¹² (By definition, MDCP award funds are never part of cash contribution or any other portion of the match.) Any expenditure for project activity by an organization other than the cooperator is in-kind contribution, not cash contribution. The cooperator can only use its own funds, not the funds of a partner or any other entity, as cash contribution.¹³ In-kind contribution is not part of cash contribution.

(1) One Dollar of Match Must Be Cash: One dollar of a cooperator's minimum two-dollar match must be cash contribution. The other dollar of match may be either in-kind contribution or cash contribution.

(2) Program Income: Project fees generated under the award, like any other source of program income, must be used for project-related purposes during the award period. Applicants should explain any such fees.

(a) Project Benefits and Reasonable Fees: Benefits from the project must be made available to all companies in the industry whether or not a company is a member or constituent of the cooperator or its partner(s). In some situations, a cooperator may charge lower fees to one class of companies than to another. For example, a trade association could charge a lower

¹² Recipient cash contributions are defined in 15 CFR Part 14, Sec. 14.2(g) as the award "recipient's cash outlay, including the outlay of money contributed to the recipient by third parties."

¹³ A third party's direct expenditure for project activity would be counted as in-kind contribution. However, if the third-party contributes funds to the award recipient (the cooperator), the funds are no longer those of the third party. They become the cooperator's funds, which, when expended on project activity constitute cash contribution.

participation fee to a member company than it does to a nonmember. This is permitted as long as the difference in fees is reasonable.

(b) Cash Match If Value Added: Program income expended on project activity may be counted as cash match, if it represents value added by the cooperator for project activity. This can be illustrated in the example of a company that attends a technical seminar as part of a cooperator's project. If the company negotiates amounts for its own arrangements with vendors, pays the total amount to the cooperator, then has the cooperator pay the amount to the vendors, the cooperator has added no value. The cooperator cannot claim the fees as cash match.

The same cooperator could claim fees paid by the company for technical seminar participation, if the cooperator adds value and the fees represent something of value that furthers project goals. For example, the cooperator could create its own technical-seminar participation package. This might include finding optimal hotel accommodations, securing group airfare, meeting with seminar organizers beforehand, and organizing a reception to take place after hours while the seminar is scheduled. Such a cooperator package would help determine project success. When companies pay the fees for such a package, they are doing more than getting themselves to a technical seminar, they are agreeing that the project itself has value. Because the cooperator's package adds value and furthers project goals, the cooperator could charge fees, use the fees to pay project expenses, and claim them as cash match.

(3) Third Party Contributions: In order for a cooperator to outlay cash contributed by a third party, the third party must transfer the funds to the cooperator. Otherwise, expenditures for goods and services contributed by a third party are considered to be in-kind contributions.

b. In-Kind Contribution

An in-kind contribution is a match other than a cash contribution. Examples include the value of staff time of a partner organization, airfare donated by a U.S. airline, and cash paid by partner organizations for project expenses.

Applicants can claim only the fair market value of the in-kind contribution.¹⁴ In proposed budgets, applicants should list all in-kind contributions separately from cash contributions. Applicants must describe these in-kind contributions in sufficient detail to determine that the requirements of 15 CFR Part 14.23(a), or 15 CFR Part 24.24 (a) and (b) are met.

Applicants should structure their budgets carefully when expenditures by companies that benefit from project activity are involved. An expenditure by such a company that primarily benefits only that company cannot be claimed as in-kind match.

For example, a company may have made and paid for its own arrangements to attend an industry exhibition that a cooperator has included in its project. The cooperator could not claim the amount paid by the company as in-kind match. The company incurs airfare and other expenses for its own benefit, but not necessarily to accomplish project objectives. Such expenditures are more self-serving than are true in-kind contributions to project success.

This policy should not deter applicants from proposing in-kind match. For example, a cooperator can claim the value of airfare donated by a U.S. airline. Although the airline benefits from goodwill associated with donating the service, it is the cooperator's project that benefits directly when the airfare is used to achieve project objectives. Unlike the company in the example above, the airline does not use the donated airfare itself and thereby benefit directly from it.

c. Minimum Match

An example of the minimum match is set forth below. An applicant requesting \$175,000 of federal funds must supply, at a minimum, \$175,000 of cash contribution. As illustrated below, the remaining \$175,000 of the required match can be made up of additional cash or in-kind contributions.

¹⁴For example, a consultant cannot claim \$150 per hour for their donated services unless they can demonstrate that they are actually paid that rate by customers for similar work.

Item	<u>Federal Share</u>	Cooperator Match
Cash	175,000	175,000
Cash or In-kind		175,000
Total	175,000	350,000

d. Cost Share Ratio

The example above establishes a cost-share ratio of two-to-one: two cooperator dollars for each federal dollar. The cooperator assumes 2/3 of the total cost. In other words, 67 percent of the funding is provided by the cooperator and 33 percent by the federal government. This means that the cooperator will receive one dollar for every three dollars in project expenditures.

e. Additional Match

Cooperators may contribute more than two dollars for each federal dollar received; however, as set forth below, if they include this additional match in their budget, it will increase the cost-share ratio.

Item	<u>Federal Share</u>	Cooperator Match
Cash	175,000	175,000
Cash or In-kind		350,000
Total	175,000	525,000

This example establishes a cost-share ratio of three-to-one: three cooperator dollars for each dollar of federal funds. The cooperator assumes 3/4 of the total cost. In other words, 75 percent of the funding (\$525,000) is provided by the recipient and 25 percent (\$175,000) by the federal government. This means that in order to receive one dollar of federal reimbursement, the cooperator must expend four dollars.

f. Direct and Indirect Costs

Applicants may claim indirect costs in their project budgets.¹⁵ Generally, direct costs are readily identifiable with a particular project, function, or activity. By contrast, indirect costs, while necessary to the general operation and activity of an organization, are not readily identifiable with a particular project, function, or activity. These are often referred to as "overhead" and usually include such costs as depreciation, administrative salaries, general telephone expense, and operation and maintenance of buildings and equipment.

The Department will determine allowable costs on the basis of the applicable cost principles and definitions in OMB Circulars A-21, A-87, and A-122; in 45 CFR Part 74, Appendix E; and in 48 CFR Part 31.¹⁶

Federal funds may be used only to cover direct costs. The applicant must incur and pay direct costs that equal or exceed the amount of federal funds. However, any portion of the balance of applicant's match that does not exceed the levels set forth below in III.B.2. Indirect Cost Rate, may be used to cover indirect costs.

2. Indirect Cost Rate

If a cooperator does not have a current approved indirect cost rate from another federal agency, and the Department of Commerce

¹⁵A sample calculation of indirect costs is provided in the mock application available at www.trade.gov/mdcp.

¹⁶ Access OMB circulars and forms at www.whitehouse.gov/omb/grants/index.html. Appendix E referred to on this OMB site is not listed separately. It is found at the end of 45 CFR 74.91, which may be accessed directly at www.access.gpo.gov/nara/cfr/waisidx_99/45cfr74_99.html. Please note that, according to the OMB circulars, some costs may not be included in the indirect cost rate calculation. These include contributions, lobbying, entertainment, bad debt, and legal costs. Consult the circulars for a complete list.

will be the largest funding federal agency, the Department will work with a cooperator to establish an indirect cost rate. This will not happen until after the applicant has been selected as an MDCP award winner.

Indirect costs are capped by the cooperator's total direct costs or the indirect cost rate, whichever is less.¹⁷ Examples of the two caps are set forth below.

a. Capped by Indirect Cost Rate

In the example below, indirect expenses are limited by the indirect cost rate of 30 percent of the direct cost base of the MDCP project¹⁸ ($230,770 \times 0.3 = 69,231$). (The indirect cost rate is calculated by the applicant.) This amount is lower than the other possible cap of \$130,769, the total cooperator contribution to direct expenses. Accordingly, the cap is the lower amount, \$69,231.

Cost	Federal Share	Cooperator Match
Direct	100,000	130,769
Indirect (30%)		69,231
Total	100,000	200,000

b. Capped by Cooperator Direct Costs

In the example below, indirect expenses are limited by the cooperator's level of contribution to direct expenses instead of the amount calculated with the indirect cost rate. The indirect

¹⁷Information on calculating an indirect cost rate is available at www2.dol.gov/oasam/programs/guide.htm.

¹⁸The direct cost base is the sum of all direct costs for the MDCP project. As indicated in the example, this includes only costs incurred by the cooperator. It does not include costs reimbursed as the federal portion from the MDCP award funds.

cost rate of 60 percent of the direct cost base yields \$120,000 of total indirect costs ($200,000 \times 0.6 = 120,000$). Because this amount exceeds the cooperator's contribution of direct costs of \$100,000, indirect costs are capped at \$100,000.

Cost	Federal Share	Cooperator Match
Direct	100,000	100,000
Indirect (60%)		100,000
Total	100,000	100,000

3. Documentation of Cost-Sharing Commitments

Applicants should demonstrate how they will meet cost-sharing commitments (match) if an award is made. The types of documentation are discussed below in IV.B.5. Finance and Budget.

C. Eligibility of Current or Past Cooperators

MDCP aims to increase export market development activities by using program funds to encourage new initiatives. MDCP funds are not intended to replace funds from other sources, nor are they intended to replace MDCP funding from a previous award. Current or past cooperators may propose a new project. See V.A.4. Creativity and Capacity below.

D. Determination of Eligibility

1. Request for Determination

Prospective applicants are encouraged to resolve questions regarding eligibility by requesting an eligibility determination in writing accompanied by the most current version of all of the following documents that apply:

- a. Articles of incorporation,
- b. Charter,
- c. Bylaws,

- d. Information on types of members and membership fees,
- e. Internal Revenue Service acknowledgment of non-profit status,
- f. Annual report,
- g. Audited financial statements,
- h. Documentation of ties to state trade departments or their regional associations, and
- i. The letter described in III.A.4. Special Note Regarding Educational Institutions above.

Prospective applicants should submit eligibility determination requests as soon as possible, if they wish to have determinations prior to the application deadline. This deadline will not be extended, and applicants should continue to work on applications while awaiting the Department's eligibility determination.

2. Joint Ventures

Entities may join together to submit an application as a joint venture; however, only one eligible organization can be the designated cooperator. For example, two trade associations may pool their resources and submit one application, but only one of the two will be the cooperator. Foreign businesses and private groups also may join with eligible U.S. organizations to submit applications and to share project costs. Applicants should pay special attention to III.B.1.b. In-Kind Contribution above, when formulating a partnership or joint venture.

IV. Application and Submission Information

A. Address to Request Application Package

A complete application kit, including mock application, is available at www.trade.gov/mdcp. Hard-copy can be obtained by contacting Mr. Brad Hess, U.S. Department of Commerce, HCHB 3215, 14th Street and Constitution Avenue, N.W., Washington, DC 20230.

B. Content and Format of Application Submission

Applications may be submitted electronically in .pdf format, or as "hard-copy". Instructions for submitting electronically are posted at www.trade.gov/mdcp. Hard-copy applications must be submitted by delivering an unbound original and copies to the listed submission address as set forth below in IV.E.2. Methods of Submission

Applicants that choose to provide hard-copy must ensure that the service they use to deliver their application can do so by the deadline. Due to security concerns, packages and envelopes sent to the Department via U.S. mail are often delayed several days. The delays affect all forms of the U.S. mail, including first-class, priority, and express.

As set forth under IV.E.2. Methods of Submission, the Department requests that applicants that provide hard-copy submit one unbound original application, plus two copies. Hard-copy applications should be submitted to the contact below. Electronic submissions should be made in accordance with instructions available at www.trade.gov/mdcp.

1. Executive Summary

In accordance with V.B. Review and Selection Process below, the Department will distribute applicants' one-page summaries to its experts to solicit comments. This summary should communicate the essence of the application proposal including the following:

- a. Applicant's name and location,
- b. Name of partnership organizations joining applicant,
- c. ITA entities and other federal offices with which applicant envisions working,
- d. Amount of federal funds requested,
- e. Total project budget,
- f. Proposed award period,
- g. Foreign markets targeted,

- h. U.S. industry to be promoted, and
- i. Brief description of the project activities and methods.

2. Background Research

Developing a project plan requires solid background research. Applications should reflect the findings of the applicant's study of the following:

- a. Current competitive position of the U.S. industry, including market potential for the industry's products,
- b. Competition from host-country and third-country suppliers,
- c. Economic condition and the ability of a country to import the U.S. products,
- d. Industry resources that can be brought to bear on developing a market,
- e. Industry's ability to meet potential market demand, and
- f. Industry's after-sales service capability in designated foreign market(s).

3. Project Description

After describing their completed basic research, applicants should develop operating plans that set forth project objectives and the specific activities applicants will undertake.

a. Work Plan

The project description should include a list of specific activities planned, including: (1) the different phases of the project, identifying each milestone and activity in chronological order; (2) the location where activities will take place; and (3) the ways the applicant intends to involve ITA as a partner in project activities.

b. Performance Measures

Each cooperator reports its performance on its own distinct performance measures as well as on ITA performance measures. The reports are due thirty days after the end of each calendar quarter. An annotated report template is available at www.trade.gov/mdcp.

(1) ITA Performance Measures: Cooperators should be prepared to gather and report the effect of MDCP project activity on the performance measures below.

(a) Reporting by name, city, state, and contact information of U.S. company and the status of each company as new to market, new to export, or increased export to market, the following:

(i) Value of exports of services or goods delivered or contracted;

(ii) Value of other competitiveness developments including export-related agreements, loss avoided, trade complaints resolved, U.S. firm's investment in foreign assets that increase U.S. exports, cooperator's investment in foreign assets that increase U.S. exports; and

(iii) U.S. jobs created.

(b) Reporting by cooperator:

(i) Value of the target market for the target industry(s), the current U.S. share of such market(s), and, for projects that yield no export activity during the MDCP award period, the projected U.S. share of the target market five years after the MDCP project award period; and

(ii) Date that the cooperator presents prospective U.S. participants in MDCP project activity with an MDCP participation agreement.

(2) Applicant-Designed Performance Milestones: Applicants should develop and utilize performance milestones that reasonably gauge project success. All cooperators report on ITA performance measures; therefore, applicants should not duplicate ITA performance measures in their discussion of applicant-designed milestones.

(3) Performance Measure Recording and Reporting System: Each applicant describes its recording and reporting system in its proposal. Ultimately, it is the success of individual companies that demonstrate an industry's strengthened competitiveness. Therefore, applicants should demonstrate how they plan to ensure that participant companies, and any other sources of success information, will report it.

c. Partnership

Applications should display the imagination and innovation of the private sector working in partnership with the government to obtain the maximum market development impact. As noted under VI.B.1. Project Team below, each cooperator will work with a project team leader and other ITA team members. Team members from other federal agencies also may be invited to participate. Applicants must describe in detail all assistance desired from ITA or other federal agencies.

d. Project Funding Priorities

Project proposals must be compatible with U.S. trade competitiveness policy. In addition, applicants are encouraged to address the priorities set forth below. An application does not need to focus on a specific number of these priorities to qualify for an award. It is conceivable that an applicant could do a superb job focusing on only one of the priorities and receive an award.

The international trade priorities listed below are the priorities referred to in V.A.3. Partnership and Priorities. The Department is interested in receiving proposals that include, but are not limited to, projects that:

(1) Improve the competitiveness of U.S. manufacturing and service industries by addressing impediments to innovation and reducing the cost of doing business in foreign countries;

(2) Increase competitiveness of U.S. industries in large markets like China, India, and Brazil by addressing non-tariff barriers, especially those related to standards and intellectual property rights;

(3) Help U.S. industry to capitalize on effective global supply chain management strategies;

(4) Advance market-based approaches to energy, clean development, and commercialization of nuclear and alternative energy technologies;

(5) Facilitate ease of travel to the United States and promote U.S. higher education and training opportunities to non-U.S. entities;

(6) Capitalize on trade opportunities resulting from trade agreements;

(7) Increase overall export awareness and awareness of ITA programs and services among U.S. companies, by making SMEs export-ready or by facilitating deal-making; and

(8) Support the Administration's broader foreign policy objectives through competitiveness-related initiatives.

4. Credentials

Each cooperator must ensure adequate development, supervision, and execution of project activities for itself and for each non-federal partner with significant involvement in the project. Therefore, for itself and each such partner, each applicant must:

a. Address its ability to provide a competent, experienced staff and other resources;

b. Describe its structure and composition;

c. Discuss the degree to which it represents the industry in question;

d. Describe the role, if any, foreign membership plays in its affairs;

e. Summarize the recent history of its industry's competitiveness;

f. Provide a resume for the project director and professional personnel; and

g. Project the amount of time each professional will devote to the project.

5. Finance and Budget

Applicants must provide a detailed budget for the project including the elements listed below:

a. Form 424A "Budget Information - Non-Construction Programs";

b. Budget for Project Award Period;

c. Supporting worksheets and explanations;

d. A discussion of financial systems and projections of how, when, and from what sources the matching funds will be or have been raised. In order to demonstrate ability to put up cash match, applicants should indicate, using their financial statements and other relevant documentation, where match will come from. If an applicant relies on program income for part of its project, it must document its ability to generate such income. For funds or in-kind resources from partners, applicants should provide letters of commitment or similar documentation that clearly commit partners in the event that the applicant receives an MDCP award;

e. A summary of all financial assistance awards received in excess of \$40,000 over the last five years. This should include the award reference number, contact name, title, organization, current email or fax, and mailing address;

f. The most recent audited financial statements. If the applicant is a sub-unit of an audited entity, in addition to the financial statements of the audited entity, the applicant should provide financial statements at the most specific level available, whether or not these are audited. If the applicant's most recent financial statements are not audited, it should submit the most recent un-audited financial statements and a statement indicating whether it currently has an auditor and when it plans to issue audited financial statements; and

g. Any additional evidence of financial responsibility.

6. Forms

In addition to the budget forms identified above, each application must include the completed forms identified below. (Form SF-424A is described above.)

- a. SF-424 Application for Federal Assistance;
- b. SF-424B Assurances - Non-Construction Programs;
- c. CD-346 Applicant for Funding Assistance; and
- d. CD-511 Certifications Regarding Debarment, Suspension, and Other Responsibility Matters.

In addition, applicants may determine that they need to complete forms CD-512 "Certifications Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions and Lobbying" and/or form SF-LLL "Disclosure of Lobbying Activities". These are available at www.trade.gov/mdcp as part of the application kit, which includes explanations of the forms.

7. Appendices

Appendices should be logically ordered and consistently identified on each page for easy reference. As noted below in IV.E.1., applicants should number each page of the application sequentially beginning with the executive summary and ending on the last page of the appendices. Applicants should include in their appendices, whatever material supports the main body of the application (IV.B.1-3), including the types of appendices listed below.

- a. The portion of the application defined above in IV.A.5. Finance and Budget.
- b. The forms noted above in IV.B.6. Forms.
- c. The determination of eligibility that an applicant has received from the Department. An applicant that has been found eligible in the past, but does not have a letter of eligibility, should request such a letter as soon as possible so it can receive one to include in its application.

d. Letters of support for the project are not required or expected. Applicants that choose to submit letters of support should secure them soon enough to include them as application appendices.

e. News media are informed by the Department when it announces awards. Applicants are invited to submit a list of news media the Department can contact when it issues its press release. The most useful information is the fax number and email address of the news media contacts. These would include local newspapers, trade publications, local broadcast stations, and Internet sites. Rather than including these as "hard-copy" in the application, the Department invites applicants to submit this electronically to Brad.Hess@mail.doc.gov, on diskette, on CD, or via email. Using any of the following file formats will ensure transferability: database (.dbf), Excel (.xls), Lotus 123 (.wk4 or .123), or Microsoft Word (.doc).

f. Current or past cooperators must submit a comparison between the proposed project and current or past projects. See V.A.4. Creativity and Capacity below.

C. Submission Date and Time

The Department must receive the applications in Washington, DC physically or electronically, by 5:00 p.m. Eastern daylight time on July 13, 2007.

D. Funding Restrictions

1. Non-Construction Project

Neither MDCP awards nor matching funds are to be used for construction projects.

2. Pre-Award Activities

There is no obligation on the part of the Department to cover pre-award costs. Except as noted above in II.C.4. Approved Pre-Award-Period Expenditure, if applicants incur any costs prior to an award being made, they do so solely at their own risk of not being reimbursed by the government.

E. Other Submission Requirements

1. Number of Pages

The main body of the application is limited to 50 pages. There is no limit on the number of pages for appendices. The main body of the application should include the substance of the applicant's proposal as identified in IV.A.1. through IV.A.4. above.

Each page of the application, from the executive summary to the last page of the appendices, should be numbered sequentially. Such numbering greatly facilitates the Department's application review, even if the numbers are hand-written. Whether the application is submitted electronically or scanned from hard-copy, sequential numbering ensures that viewers see in the order intended by the applicant. It also makes electronic searching of scanned documents match the hard-copy.

2. Method of Submission

In order to expedite the application evaluation process, the Department posts the applications electronically to internal reviewers and distributes hard-copy to each of the four selection panelists. In order to facilitate both the electronic and hard-copy access to applications by reviewers, applicants are encouraged to transmit an electronic copy by the deadline, followed within one week by five (paper) hard-copies.

Applicants may submit electronically without providing paper copies. Or, applicants may decide not to submit electronically and submit an original plus four copies instead. (If submitting four (4) copies in addition to the original creates a financial hardship, applicants may submit the minimum of two copies plus the original.)

a. Electronic Submissions

Instructions for submitting applications electronically are available at www.trade.gov/mdcp.

(1) Format of Electronic Attachments: The preferred format for electronic file attachments is .pdf. Files in this format may be read by practically any computer using free reader software. This is the most prevalent format for documents that are scanned from

hard-copy. However, the Department will accept electronic files in Word, Lotus, or Excel formats as well.

(2) Electronic Submission Date: The date that applications will be deemed to have been submitted electronically shall be the date and time received at Brad.Hess@mail.doc.gov. The due date and time is the same for electronic submissions as it is for hard-copy submissions. Applicants should plan to submit electronically several days before the deadline. Doing so will help them to ensure that the application is complete before submitting online.

(3) Possible System Problems: Applicants should be ready to transmit their applications well before the deadline. If an applicant experiences transmission or other technical problems, it should first document the problem. This can be done by (a) printing a dated e-mail or similar message received regarding status of the submission, or (b) printing a dated image of the computer screen where the problem is noticed.

Second, prior to the deadline, the applicant should contact the agency contact listed in VII. below to apprise him of the situation.

In the event of computer or telecommunication system problems, the Department will accept only the application that the applicant was in the process of transmitting. If the Department decides to allow more time for an applicant to transmit its application, due to system problems beyond the applicant's control, the applicant shall submit only the application as it was prepared and ready to transmit by the deadline. In such an event, the applicant shall re-transmit its application promptly and shall not use the extra time to change its application. Otherwise, the Department will reject the application as untimely.

b. Hard-Copy Submissions

If, instead of an electronic copy, the applicant submits hard-copy, the Department will scan the unbound original with a pass-through scanner to create an electronic copy, which can be easily transmitted to ITA reviewers or printed. The Department cannot guarantee that the electronic copy will include features that are not easily reproduced with a pass-through scanner. For example, tabs would likely not be seen, color pages might be reproduced in

black and white, fold-out pages might be shrunken, and unusually sized (not 8.5" x 11") pages might be broken up.

If an applicant submits an original and two copies or any other number of copies greater than two and less than four (4), or if an applicant submits electronically without submitting the five as hard-copy, the Department will make additional copies to allow all reviewers to read each application. However, the Department cannot guarantee that the copies will include features that are not easily reproduced on standard photocopy machines. For example, tabs might not be inserted, color pages might be reproduced in black and white, fold-out pages might not fold out, unusually sized (not 8.5" x 11") pages might be broken up, and the copies might be bound with staples or clips instead of the binding used for applicant-submitted material.

(1) Unbound Original: Applicants that choose hard-copy must submit a signed unbound original application in addition to the copies. It is important that the original not be bound in order to facilitate scanning.

(2) Possible Submission Problems: It is the responsibility of the applicant to ensure prompt delivery of its application to the Department. Applicants should not rely on first-class mail because this service has no set delivery time. Even if an applicant chooses an express delivery service, it must use one that represents that it can deliver the application to the Department by the deadline.

In the event that the promised delivery time is not fulfilled, the applicant should contact the official listed in VII. below as soon as the delivery delay or failure is known. If the applicant can document that the chosen delivery service should have delivered the application on time, the Department will grant just enough time to receive the application, or allow the applicant to resend it, in the event that the previously sent application was lost, destroyed, or mutilated. Otherwise, the Department will reject the application as untimely.

V. Application Review Information

A. Criteria

The Department is interested in projects that demonstrate the possibility of both significant progress during the award period and lasting benefits extending beyond the award period. To that end, the selection panel reviews each application for financial assistance under MDCP based upon the evaluation criteria listed below.

1. Potential to Strengthen Competitiveness (20%)

Competitiveness is, by definition, relative. If U.S. industry is to be competitive, it must be so in relation to something else. Accordingly, one straight-forward definition of competitiveness is simply the ability of U.S. firms to sell products in the international marketplace.

Many factors combine to determine the competitiveness of a U.S. industry: productivity, human capital, access to technology, etc. Cooperators should focus on factor(s) of competitiveness where their efforts can have a measurable impact. Some factors, such as exchange rate fluctuations, result from a mix of forces that are too big and complex for one cooperator to influence in the course of an MDCP project. Moreover, many measures of progress with regard to competitiveness are difficult for groups such as MDCP cooperators to quantify and report. Two ultimate measures, exports and market share, have a long tradition as measures of competitiveness. They are also easily quantifiable.

To earn the maximum score for evaluation criterion 1, a cooperator should show the positive effect its project will have on competitiveness as quantified in exports and market share. The export and/or market share results need not be manifest during the MDCP award period, but tangible progress that leads to the immediate or eventual increase or maintenance of export levels and/or market share should be reported during the award period. Projects that focus on longer-term effects, such as industry standards, can be as desirable as those that yield short-term results if the benefit in strengthened competitiveness is evident during the award period.

2. Performance Measures (20%)

Projected increase (multiplier effect) in the number of U.S. companies exporting to the market(s) selected, particularly SMEs, and the degree to which the project will strengthen the U.S. industry's competitiveness.

Applicants must provide quantifiable estimates of projected export and market share increases and explain how they are derived. See IV.B.3.b. Performance Measures above. Applicants must detail the methods they will use to gather and report performance information.

3. Partnership and Priorities (20%)

The degree to which the project initiates or enhances partnership with ITA and the degree to which the proposal furthers or is compatible with ITA's priorities stated under IV.B.3.d. Partnership above.

4. Creativity and Capacity (20%)

Creativity, innovation, and realism displayed by the work plan as well as the institutional capacity of the applicant to carry out the work plan.

a. Creativity and innovation can be displayed in a variety of ways. Applicants might propose projects that include ideas not previously tried to promote a particular industry's goods or services in a particular market. Creativity can be demonstrated by the manner in which techniques are customized to meet the specific needs of certain client groups.

b. Current or past cooperators must submit a table comparing their current or past project(s) and their proposed project. The need for this table and the requested format are described below.

As noted in the Summary at the beginning of the FFO, MDCP awards are designed to help underwrite the start-up costs of new projects. Accordingly, current or past cooperators can be in a position to earn the maximum number of points under this criterion only if they propose projects that are entirely new.

In order to determine whether a project is entirely new, the current or past cooperator must provide, as a separate appendix, a comparison between the elements of the proposed project and the elements of its current or past MDCP-funded projects. Current or past cooperators that propose projects that are not entirely new will receive fewer points under this criterion than they would receive otherwise.

In determining the number of points under this criterion, the selection panel will consider the level to which a particular applicant has incorporated elements of its previously funded MDCP projects. To do this, current or past cooperators should submit a table wherein they approximate the amount of resources devoted to each project element as a percentage of the total. For example, if an applicant received an MDCP award in 1995 and spent approximately \$400,000 of a total \$1,000,000 project budget on opening an office in Beijing, it could report that 40 percent of the resources of its 1995 project went toward the project element of opening its Beijing office. The applicant would do the same for the other elements of any previously funded MDCP projects.

Previous Project(s)		Proposed Project	
Element	%	Element	%
1		1	
2		2	
etc.		etc.	
Total	100	Total	100

c. Institutional capacity will be measured by what each applicant submits. A current or past cooperator should not assume that success with a prior MDCP project will automatically be taken into account by the Department when reviewing its application. Each applicant must document its institutional capacity in its application.

5. Budget and Sustainability (20%)

Reasonableness of the itemized budget for project activities, the amount of the cash match that is readily available at the beginning of the project, and the probability that the project can be continued on a self-sustained basis after the completion of the

award. Current or past cooperators must show how the proposed project will achieve self-sustainability independent of any current or past MDCP projects.

Each of the above criteria is worth a maximum of 20 points. The five criteria together constitute the application score. At 20 points per criterion, the total possible score is 100.

B. Review and Selection Process

The applicant is responsible for submitting a complete application in a timely manner. Prior to selection, each complete application receives a thorough evaluation as set forth below.

1. Eligibility Determination

OPCM's MDCP staff, in consultation with the Department's Office of General Counsel, reviews all applications to determine the eligibility of each applicant.

2. Program Area Review

Relevant program areas, including ITA's MAS, MAC, and the Commercial Service, have the opportunity to review the submitted applications. This allows experts in the industry sector or geographical region to assess applicant claims. These reviewers provide insights into both the potential benefits and the potential difficulties associated with the applications.

3. OPCM Review

Representatives of OPCM review and comment on applications using the evaluation criteria identified above. OPCM prepares for the selection panel a review packet including the applications and reviewer comments. The OPCM staff and program area comments afford the selection panel the insights and breadth of experience of Department professionals. However, the selection panel is free to consider or disregard them as it sees fit.

4. Selection Panel Composition

The MDCP Manager forwards all of the eligible applications, along with all related materials, to the selection panel of at least three senior ITA managers. This panel is chaired by the OPCM

Director and typically includes three other members, one each from Manufacturing and Services (MAS), Market Access and Compliance (MAC), and the Commercial Service. Panel members are office directors or higher.

5. Selection Panel Scoring

Each selection panel member reviews each eligible application and assigns a score for each of the five criteria stated above. The scores of each selection panel member for each application reviewed are maintained in the files for seven years. The individual criteria scores are averaged to determine the total score for each application. The evaluation criteria scores assigned by the panel determine which applications are recommended for funding.

6. Ranked Recommendation:

Based on the scores assigned by selection panel members and deliberations by the selection panel, the selection panel forwards the applications with the ten highest total scores ("top-ranked applications") to the Assistant Secretary for Manufacturing and Services and recommends which of the top applications should receive funding. If the amount of funds requested by the top ten applicants is less than the funding available, the selection panel recommends additional applications for funding in rank order.

The selection panel's recommendation will not deviate from the rank order. This means, for example, that the selection panel cannot recommend funding for the application ranked seventh without recommending funding for applicants ranked first through sixth. The selection panel recommendation includes the panel's written assessment of the strengths and weaknesses of the top-ranked applications.

7. Selection of Applications for Funding

From the top-ranked applications forwarded by the selection panel, the Assistant Secretary for Manufacturing and Services selects those applications that will receive funding. In addition to the criteria in V.A. Evaluation Criteria above, the Assistant Secretary for Manufacturing and Services may consider the selection factors listed below:

- a. The selection panel's written assessments,
- b. Degree to which applications satisfy the ITA priorities established under IV.B.3.d. Project Funding Priorities above,
- c. Geographic distribution of the proposed awards,
- d. Diversity of industry sectors and overseas markets covered by the proposed awards,
- e. Diversity of project activities represented by the proposed awards,
- f. Avoidance of redundancy and conflicts with the initiatives of other federal agencies, and
- g. Availability of funds.

C. Anticipated Announcement and Award Dates

Applications are reviewed simultaneously. The Department anticipates announcing the awards in early October 2007.

D. Retention of Applications

1. Award Winners

Copies of winning applications are distributed to project team members for their use in managing projects.

2. Unsuccessful and Ineligible Applicants

For each eligible application that does not win an award, and for each ineligible application, the Department will retain the signed original of the application for seven years and will destroy the copies.

3. Late and Ineligible Applications Returned to Sender

Late applications are not accepted. Late applications and applications submitted by ineligible applicants are returned to the sender if submitted as hardcopy, and erased if submitted electronically. However, the Department will retain a copy of the

cover page, transmittal letter, or electronic equivalent for seven years.

E. Limitation of Liability

In no event will the Department of Commerce or ITA be responsible for proposal preparation costs if this program fails to receive funding or is cancelled because of other agency priorities. Publication of this announcement does not obligate the Department of Commerce or ITA to award funds for any specific project or to obligate any available funds.

VI. Award Administration Information

A. Award Notices

Award winners will be notified by letter. The authorizing document for MDCP awards is the financial assistance award, signed by the grants officer. This document is sent by express delivery service to the "contact" listed on form 424. It must be signed by the applicant's "authorized representative" listed on form 424.

Once award winners formally accept their awards, the Department will announce the award winners at www.trade.gov/mdcp. Within ten days of the Department's announcement of all of the awards, unsuccessful applicants will be notified in writing and invited to receive a debriefing from MDCP officials.

B. Administrative and National Policy Requirements

MDCP awards are made pursuant to the Department's standard terms and conditions. These are available at www.trade.gov/mdcp. In addition, each MDCP award has special award conditions. An example of special award conditions is available at www.trade.gov/mdcp or by contacting the agency contact listed in VII. below.

The Department of Commerce Pre-Award Notification Requirements for Grants and Cooperative Agreements contained in the Federal Register notice of December 30, 2004 (69 FR 78389) are applicable to this solicitation.

C. Reporting

1. Quarterly Performance Report

Throughout the award period, cooperators report their performance quarterly for periods not to exceed three months of activity ending on March 31, June 30, September 30, or December 31. These quarterly performance reports are due thirty days after the last day of the quarter. Much of the content of the report is discussed above in IV.B.3.b. Performance Measures. The report is filed online. A copy of the template used for filing the report online is available at www.trade.gov/mdcp.

2. Quarterly Financial Status Report

Following the same time periods and deadlines as those set forth above for performance reports, each cooperator files a quarterly financial status report. This consists of a completed form SF 269 or SF 269A. The completed form is submitted directly to the grants officer. An example is available at www.trade.gov/mdcp.

VII. Agency Contact

Mr. Brad Hess, Manager, Market Development Cooperator Program, Manufacturing and Services, ITA, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Room 3215, Washington, D.C. 20230.

Email: Brad.Hess@mail.doc.gov.

Phone/Fax: (202) 482-2969/ -4462.

Internet: <http://www.trade.gov/mdcp>.

Application Kit: A kit which includes required application forms is available at www.trade.gov/mdcp. A "hard-copy" version is available upon request.

Pre-Application Counseling: Applicants with questions should contact the Department as soon as possible, while continuing to prepare their proposals. The Department will not extend the deadline for submitting applications.

From May 18, 2007, through July 13, 2007, the Department does not counsel potential applicants regarding the merits of projects they may propose in their applications. During this competition period, the Department may respond to potential applicants' questions regarding eligibility, technical issues, procedures, general information, and referral. For example, during the competition period the Department may refer a potential applicant to sources for research on a foreign market identified by the potential applicant. However, to continue the example, the Department may not comment on the merits of including that market in a proposal, or suggest an alternative market.

VIII. Other Information

Several definitions are provided below to assist readers in preparing MDCP applications. These definitions do not supplant or supersede definitions provided in the Department's Grants and Cooperative Agreements Interim Manual (February 2002).

1. Announcement of Federal Funding Opportunity (FFO): The complete FFO is posted at www.trade.gov/mdcp. A short request for applications is also published in the Federal Register announcing the availability of MDCP financial assistance.

2. Award Period: The time-span established in the award document during which federal sponsorship begins and ends. The term "award period" is also referred to as "project period" in 15 CFR Part 14.2. Each applicant proposes an award period of up to three years in its application. The award period may be extended. Extensions usually do not exceed 12 months. All extensions must be approved in writing by the grants officer.

3. Commercial Service: The trade promotion unit of ITA, referred to as the Commercial Service, is statutorily mandated to promote exports of goods and services from the United States, particularly by SMEs, and to protect U.S. business interests abroad. Commercial Service staff participates on practically every MDCP project team.

4. Cooperative Agreement: This legal instrument used for MDCP awards reflects a relationship between the Department and a recipient whenever: (1) the principal purpose of the relationship is to transfer money, property, services, or anything of value to

accomplish a public purpose of support or stimulation authorized by federal statute and (2) substantial involvement (e.g., collaboration, participation, or intervention by the Department in the management of the project) is anticipated between the Department and the recipient during performance of the contemplated activity. Cooperative agreements are subject to the same OMB, Treasury, and other federal laws and policies as grants. See 31 U.S.C. 6305. See II.A. Administration of Award Activity above for additional information about the Department's involvement.

5. Cooperator: An organization (see definition below) that wins an MDCP financial assistance award in ITA's annual competition. A cooperator is a "recipient" (see definition below) of federal financial assistance. Cooperator status is valid only for the term of the MDCP award period.

6. Cooperator Event: An export promotion or market development activity undertaken as part of an MDCP project such as a trade mission, a trade show, a technical seminar, or opening a foreign office. Other examples include, but are not limited to, those listed above in I.B. Examples of Project Activity.

7. Current or Past Cooperator: An organization that currently has or in the past has had an MDCP project.

8. Domestic Commercial Service Office: A U.S. Export Assistance Center.

9. Fiscal Year: The fiscal year of the federal government. The twelve-month period from October 1 through September 30.

10. Industry: The U.S. enterprises that an applicant's project is designed to benefit. The target group can be very broad or quite specific. One applicant, for example, may define the industry as all U.S. producers of tennis equipment and services. For another applicant, "industry" might refer only to California tennis equipment producers. Another applicant might define its industry as all California companies.

11. Manufacturing and Services (MAS): One of ITA's major program areas that focuses on trade and competitiveness of U.S. industries from an industry perspective. MAS's Assistant Secretary makes the final selection of MDCP award winners.

12. Market Access and Compliance (MAC): One of ITA's major program areas dealing with trade negotiations, compliance with trade agreements, and trade policy. MAC professionals usually serve on project teams.

13. Office of Planning, Coordination and Management (OPCM): The MAS office that administers MDCP.

14. Overseas Commercial Service Office: A Commercial Service unit whose employees are based in U.S. embassies, consulates, or other locations abroad.

15. Produced in the United States: Having substantial inputs of materials and labor originating in the United States, such inputs constituting over 50 percent of the value of the good or service to be exported.¹⁹

16. Product: A U.S. non-agricultural good or service.

17. Project: A series of activities proposed in an MDCP application -- or, after an MDCP award is made, in an amendment request -- and approved by the Department which occurs during the award period.

18. Project Team Leader: An ITA employee who coordinates MDCP project activity with a cooperator and serves as the cooperator's primary point of contact with ITA. (See II.A.1. Project Team above.)

19. Recipient: A cooperator. The organization that receives an MDCP award.

20. SME: Small- or medium-size enterprise. SMEs are generally companies with fewer than 500 employees.

21. U.S. Export Assistance Center (USEAC): A domestic Commercial Service office. USEACs are located across the United States.

¹⁹"Trade Mission Application Form" ITA Form 4008P-1 (Rev. 8/97) available from www.ita.doc.gov/ooms/forms.htm.

22. U.S. Product: See Product and Produced in the United States above.

Some terms are best understood in the context of a more detailed discussion. For terms that do not appear above, refer to the FFO section where the term is discussed.